

The Commonwealth of Massachusetts

Mass.: Auditor's dept.

DEPARTMENT OF THE AUDITOR

ANNUAL REPORT

FOR THE

Year Ending November 30, 1933.



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DEPARTMENT OF THE AUDITOR
ANNUAL REPORT

MASS. GOVERNMENT

TO THE HONORABLE SENATE AND HOUSE OF REPRESENTATIVES:

I have the honor of presenting the Annual Report of my Department for the year ending November 30, 1933.

The accounts of the Treasurer and Receiver-General were examined. The cash on hand was counted, the bank accounts reconciled and the composition of cash balances verified. The actual securities in the custody of the State Treasurer applying on invested funds were checked to the various lists, and it was found that all the securities listed as on hand were actually in the vaults.

The accounts of the Income Tax Division were examined for the fiscal year ending November 30, 1932.

An audit was made of the accounts of the Purchasing Bureau. An inventory of the stock on hand was taken and checked to the stock records. The transactions in the Purchasing Agent's revolving fund of \$50,000 were verified and the correctness of the fund established.

In addition to the regular work of the department it was necessary to audit certain prison inmates accounts because of defalcations. I had intended to call attention to certain conditions existing in the Department of Correction, but because of the investigation now going on I have omitted these remarks. During the last year this department also carried on the investigation of the Department of Public Safety.

This latter investigation clearly proved the absolute necessity of legislation to strengthen the office of the Auditor. In my first two years in office I appeared before legislative committees, supporting proposed legislation to give this department more power. Last year because the investigation of the Department of Public Safety was under way and because I thought that my motives might be misinterpreted, I did not repeat my effort.

There are two possible approaches to the situation. The Department of the Auditor can be continued as an auditing office, as it clearly is now, or it can be merged with the Comptroller's Office. The first two messages of His Excellency the Governor would seem to indicate that he tends toward the latter theory. In general I agree with him. The whole policy of the Commonwealth in its state institutions is to keep the purchasing function and the accounting function separate. This is only common sense. It should also apply to the general financial structure of the Commonwealth. This would mean a drastic change and would restore to the Department of the Auditor most of the functions which it had before the creation of the Commission on Administration and Finance. The change is sound, if the theory of checks and balances in government is sound. The function of passing on the propriety of accounts against the Commonwealth should be completely divorced from the division of government which does the purchasing and thereby creates the accounts.

If it is desired to keep the accounting functions and the auditing functions separate, as they are now, there would seem to be no objection to giving the Auditor at least concurrent power with the Commission on Administration and Finance in the matter of investigations into state departments and institutions. Two years ago the bill reported to the Legislature gave such power as far as the finances of any department or institution were concerned, but struck out the power to investigate the management of any department or institution. As it stood, the bill was insufficient and did not pass. The investigation of the Department of Public Safety showed clearly that both powers must be included. The division line between finances and management is altogether too nebulous for practical purposes. In the investigation of the Department of Public Safety this division line would have been very troublesome.

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At the request of His Excellency the Governor this department conducted the aforesaid investigation without even a semblance of legislative authority, a fact which in all fairness had to be told to everyone interrogated. This department, headed as it is by an elected official responsible directly to the people and only to them, has absolutely no statutory power to investigate, to summon witnesses or records, or to administer oaths. The reluctance to give such powers to the Auditor of the Commonwealth, an elected official, is rather hard to understand, particularly in view of the fact that such powers are frequently and apparently without reluctance extended to appointed officials, such as each of the members of the Commission on Administration and Finance (Sec. 11 of Chap. 7 of the General Laws, Ter. Ed.). Of one thing I am certain: had this department been given the powers which were asked for two years ago, the investigation of the Department of Public Safety could have been completed much more quickly and easily than it was.

The following schedule lists and audits made by the department during the fiscal year ending November 30, 1933:—

Legislative Department:

Sergeant-at-Arms	Oct.	14, 1932	Sept.	27, 1933
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General Administration:

Secretary's Department	Sept.	6, 1932	Aug.	10, 1933
Treasurer's Department	Nov.	30, 1931	Nov.	30, 1932
Adjutant General's Department	Jan.	5, 1932	Nov.	30, 1933
Attorney General's Department	Jan.	18, 1932	Apr.	8, 1933
State Library	Sept.	26, 1932	Sept.	8, 1933
Board of Tax Appeals	Nov.	30, 1932	Oct.	19, 1933

Department of Administration and Finance:

Purchasing Bureau	Nov.	30, 1931	Nov.	30, 1932
Superintendent of Buildings	May	31, 1932	Jun.	26, 1933

Department of Agriculture:

General Department	Apr.	14, 1932	Jun.	27, 1933
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Department of Conservation:

Division of Animal Industry	Oct.	15, 1932	Oct.	9, 1933
Division of Fisheries and Game	Oct.	31, 1931	Dec.	31, 1932
Division of Forestry	Sept.	27, 1932	Sept.	5, 1933

Department of Banking and Insurance:

Division of Banks	Nov.	8, 1932	Jun.	23, 1933
Division of Insurance	Nov.	30, 1931	Nov.	30, 1932
Supervisor of Small Loan Agencies	May	18, 1932	Jun.	16, 1933

Department of Corporations and Taxation:

Income Tax Division	Nov.	30, 1931	Nov.	30, 1932
Division of Accounts	May	31, 1932	Jun.	19, 1933

Department of Education:

General Department	Nov.	3, 1932	Oct.	5, 1933
Teachers College at Bridgewater	Sept.	13, 1932	Sept.	20, 1933
Teachers College at Fitchburg	Jul.	27, 1932	Sept.	7, 1933
Teachers College at Framingham	Jun.	22, 1932	Jul.	31, 1933
Teachers College at Hyannis	Oct.	4, 1932	Oct.	18, 1933
Teachers College at Lowell	Mar.	2, 1932	Mar.	15, 1933
Teachers College at North Adams	Oct.	17, 1932	Oct.	3, 1933
Teachers College at Salem	Jul.	14, 1932	Sept.	16, 1933
Teachers College at Westfield	Aug.	29, 1932	Oct.	23, 1933
Teachers College at Worcester	Mar.	2, 1932	Mar.	20, 1933
Massachusetts School of Art	Aug.	31, 1932	Sept.	12, 1933
Bradford-Durfee Textile School	Aug.	1, 1932	Sept.	21, 1933
Lowell Textile Institute	May	23, 1932	May	25, 1933
New Bedford Textile School	Aug.	22, 1932	Sept.	19, 1933
Massachusetts State College	Nov.	30, 1931	Nov.	30, 1932
Division of the Blind	Nov.	30, 1931	Nov.	30, 1932
Teachers' Retirement Board	Dec.	31, 1931	Dec.	31, 1932
Massachusetts Nautical School	Feb.	6, 1932	Feb.	6, 1933

Department of Civil Service and Registration:

Board of Reg. in Pharmacy	Oct.	4, 1932	Sept.	7, 1933
Board of Reg. in Nurses and Chiropody	May	13, 1932	Jun.	30, 1933
Board of Reg. in Dental Examiners	Sept.	30, 1932	Sept.	5, 1933
Board of Reg. in Embalming	Oct.	11, 1932	Sept.	5, 1933
Board of Reg. in Optometry	Sept.	30, 1932	Sept.	7, 1933
Board of Reg. in Veterinary Medicine	Sept.	2, 1932	Oct.	23, 1933
Board of Reg. in Plumbing	Sept.	26, 1932	Sept.	12, 1933
Board of Cert. Public Accountants	Nov.	30, 1931	Nov.	30, 1932
State Examiners of Electricians	Mar.	15, 1932	Mar.	15, 1933
Board of Reg. in Barbers	Oct.	29, 1932	Oct.	31, 1933

Department of Labor and Industries:				
Division of Standards	Oct.	29, 1932	Oct.	14, 1933
Department of Industrial Accidents:				
General Department	Nov.	30, 1932	Dec.	8, 1932
Department of Mental Diseases:				
General Department	Jun.	6, 1932	Jun.	21, 1933
Belchertown State School	Nov.	4, 1932	Nov.	13, 1933
Boston Psychopathic Hospital	Feb.	29, 1932	Mar.	17, 1933
Boston State Hospital	Apr.	7, 1932	Mar.	31, 1933
Danvers State Hospital	Sept.	7, 1932	Sept.	7, 1933
Foxborough State Hospital	Jun.	28, 1932	Jul.	17, 1933
Gardner State Colony	Apr.	25, 1932	May	22, 1933
Grafton State Hospital	May	24, 1932	Apr.	21, 1933
Medfield State Hospital	Mar.	22, 1932	Mar.	20, 1933
Metropolitan State Hospital	Sept.	7, 1932	Sept.	26, 1933
Monson State Hospital	Jul.	1, 1932	Aug.	7, 1933
Northampton State Hospital	Oct.	6, 1932	Oct.	2, 1933
Taunton State Hospital	May	23, 1932	Jul.	6, 1933
Westborough State Hospital	Feb.	8, 1932	Jan.	3, 1933
Worcester State Hospital	Mar.	14, 1932	Feb.	6, 1933
Walter E. Fernald State School	Mar.	23, 1932	Sept.	6, 1933
Wrentham State School	Apr.	28, 1932	Apr.	22, 1933
Department of Correction:				
State Prison	Nov.	30, 1931	Nov.	30, 1932
State Prison Colony	Jun.	6, 1932	Jun.	20, 1933
Massachusetts Reformatory	Mar.	28, 1932	Apr.	17, 1933
Reformatory for Women	Apr.	13, 1932	Apr.	21, 1933
Prison Camp and Hospital	Sept.	14, 1932	Nov.	6, 1933
State Farm	Oct.	19, 1932	Oct.	30, 1933
Department of Public Welfare:				
General Department	Feb.	5, 1932	Apr.	3, 1933
State Infirmary	Jun.	20, 1932	Jun.	14, 1933
Industrial School for Boys	Jun.	27, 1932	Sept.	6, 1933
Industrial School for Girls	Jul.	19, 1932	Sept.	22, 1933
Lyman School for Boys	Sept.	7, 1932	Aug.	17, 1933
Massachusetts Hospital School	May	6, 1932	Jul.	5, 1933
Boys' and Girls' Parole Dept.	Jan.	8, 1932	Jul.	19, 1933
Department of Public Health:				
General Department	Jan.	18, 1932	Dec.	27, 1932
Lakeville State Sanatorium	Apr.	21, 1932	Jun.	19, 1933
North Reading State Sanatorium	Mar.	7, 1932	Jul.	10, 1933
Rutland State Sanatorium	Jul.	18, 1932	Jun.	30, 1933
Westfield State Sanatorium	Aug.	5, 1932	Oct.	23, 1933
Pondville Cancer Hospital	May	5, 1932	Aug.	2, 1933
Department of Public Safety:				
General Department	Nov.	30, 1931	Dec.	7, 1932
Department of Public Works:				
General Department	Nov.	30, 1931	Nov.	30, 1932
Registry of Motor Vehicles	Feb.	15, 1932	Feb.	1, 1933
Department of Public Utilities:				
General Department	Jan.	25, 1932	Mar.	16, 1933
Met. District Water Supply Commission	Oct.	17, 1932	Nov.	6, 1933
Met. District Commission	Nov.	30, 1931	Nov.	30, 1932
Alcoholic Beverage Commission	Apr.	7, 1933	May	31, 1933

Respectfully submitted,

FRANCIS X. HURLEY,

Auditor of the Commonwealth.